



# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Norman H. Bangerter

Governor

Dee C. Hansen

Executive Director

Dianne R. Nielson, Ph.D.

Division Director

355 West North Temple

3 Triad Center, Suite 350

Salt Lake City, Utah 84180-1203

801-538-5340

March 3, 1993

Ms. Vicki L. Hoffsetz  
Energy Fuels Nuclear, Incorporated  
One Tabor Center, Suite 2500  
1200 Seventeenth Street  
Denver, Colorado 80202

Dear Ms. Hoffsetz:

Re: Request for Surety Release, Straight Creek, M/017/018; Hillside Complex, M/037/015; Sahara Mine, M/015/026; Ivy Mine, S/037/034; Standard II, S/037/011; Far West, M/037/019; Patti Ann, M/037/003; Wood, M/037/021; and Repete, M/037/038; Garfield, San Juan and Emery Counties, Utah

Pursuant to letters received from Energy Fuels, Incorporated on July 27, 1992, requesting total and partial releases for several of their mine sites, I have put together the following summary:

## Mines Which Qualify for Total Release

Based on inspections I conducted last November of 1992, I have recommended total surety release for the following mine sites:

	<u>Mine Name</u>	<u>Mine Number</u>	<u>Surety Amount</u>
1.	Straight Creek	M/017/018	\$ 1,050
2.	Hillside Complex	M/037/015	\$ 2,460
3.	Sahara	M/015/026	\$35,923
4.	Standard II	S/037/011	*
* (a surety of \$25,000 is held by State Lands)			

State Lands and Forestry holds a \$25,000 bond on the Standard II Mine. The Division will recommend to State Lands that the bond be relinquished.

## Mines Which Qualify for Partial Release

The following mines qualify for a partial release of surety:

Page 2  
Vicki L. Hoffsetz  
Energy Fuels Mines  
March 3, 1993

	<u>Mine Name</u>	<u>Mine Number</u>	<u>Surety Amount</u>
1.	Far West	M/037/019	\$35,300
2.	Patti Ann	M/037/003	\$23,800

Mr. Bill Almas submitted new surety calculations, \$1,395 and \$1,060 respectively addressing these sites last year. We must still evaluate these to see if they are appropriate. I hope to provide you with our approval of your calculations or new figures by the end of the month. I would not anticipate Board approval of these surety reductions until April 28, 1993.

#### Other Sites

The following sites must still be inspected prior to a Division recommendation concerning their status:

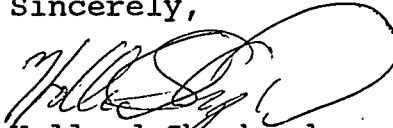
	<u>Mine Name</u>	<u>Mine Number</u>	<u>Surety Amount</u>
1.	Wood	M/037/021	\$14,274
2.	Ivy	S/037/034	no bond
3.	Repete	M/037/038	\$10,654

I hope to inspect these three sites sometime in late spring '93, when they become more accessible. I have never inspected the Wood, so cannot provide a recommendation at this time. I would like to evaluate the reclamation work and site stability at the Ivy before making a recommendation. Also, I have yet to inspect the Repete mine. My understanding is that this site has not yet been reclaimed.

Please inform me if any of this information conflicts with your records.

Thank you for your assistance.

Sincerely,



Holland Shepherd  
Senior Reclamation Specialist

jb  
cc: Diana Jackson, Crum & Forster - 7500 College Blvd Ste 800  
John Vaughn, Energy Fuels - Overland Park KS 66210  
Jerry Mansfield, State Lands  
Wayne Hedberg, DOGM  
Energy.sur  
PO Box 36  
Fredonia AZ 86022